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A GUIDE TO MONTANA'S ECONOMIC DEVELOPMENT & BUSINESS ASSISTANCE PROGRAMS

Revised October 1987

MONTANA DEPARTMENT OF COMMERCE  
1424 Ninth Avenue  
Helena, MT 59620



The following is a compendium of economic development programs provided by the State of Montana and other agencies in Montana. General information about these programs may be obtained by contacting:

Business Assistance Division  
Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-3923

More specific information is available from the contact person identified with each program.



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## DEPARTMENT OF COMMERCE

### DIRECTOR'S OFFICE

The Director of the Department of Commerce is responsible for the overall management of the department, which includes:

- Aeronautics Division
  - Airport/Airways
  - Safety & Education
- Business Assistance Division
- Business Regulation Division
  - Building Codes
  - Horse Racing
  - Milk Control
  - Professional and Occupational Licensing
  - Weights and Measures
- Financial Institutions Division
- Housing Division
- Investment Division
- Local Government Assistance Division
  - Community Development
  - Local Government Services
  - Section 8 Housing
- Montana Health Facilities Authority
- Montana Promotion Division
- Montana Science and Technology Alliance
- Montana State Lottery
- Transportation Division
  - Intermodal Commodities
  - Litigation and Analysis
  - Passenger

The Management Services Division, Office of Research and Information Services, Video Gaming Control Bureau, Coordinator of Indian Affairs, and the Legal and Consumer Affairs Unit are also attached to the Director's Office. In addition, the Director chairs the State Banking Board in accordance with the statutory requirements, and serves as Secretary of the Montana Ambassadors. The Director is also responsible for staffing the Governor's Council on Economic Development.

Contact: Keith L. Colbo, Director  
Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-3494

## **BUSINESS ASSISTANCE DIVISION**

The Business Assistance Division of the Department of Commerce provides comprehensive services that constitute the direct technical assistance component of the "Build Montana" economic development effort, including the following programs:

### **Development Finance Technical Assistance**

Technical assistance is available to businesses in the areas of financial analysis, financial planning, loan packaging, industrial revenue bonding, state and private capital sources, and business tax incentives. The program also is designed to work with businesses and financial institutions to encourage the use of various public sector programs, including Urban Development Action Grants (UDAGs), Community Development Block Grants, Economic Development Administration grants, Small Business Administration loan guarantees, and the Montana Board of Investments' in-state investment funds.

### **Marketing Assistance and Montana Product Promotion**

Program staff members work with individual small business and trade associations to develop and expand outlets for products manufactured or processed in Montana. Products of Montana manufacturers are represented at selected trade shows both in the United States and foreign countries.

The Montana Product Promotion program is designed to elevate the status of Montana-made products in the marketplace. The program also serves to educate Montanans about the diversity of products manufactured in their state. As part of this program, a full-color "Made in Montana" logo is available to manufacturers of products that have a minimum of 50% of their value added in Montana.



This logo is available in the form of hang-tags, adhesive labels and photo mechanical transfers (PMTs) for direct printed inclusion in product packaging. The PMTs are free of charge, and the labels are available from a contracted supplier at a fixed unit price. The department has implemented an extensive public awareness campaign utilizing television, newspaper, outdoor and radio advertising to encourage Montanans to "look for the label."

## **Small Business Advocacy and Business Licensing**

The division distributes information concerning the state licensing requirements for starting and operating a business and provides assistance to businesses in applying for licenses and permits. The division also serves as an advocate for small businesses. An in-state toll-free telephone number is available for their use. It is: 1-800-221-8015.

## **International Export Assistance**

This program is designed to enhance the marketability of the manufactured and processed agricultural products of Montana's businesses. International export assistance offers direct, one-stop technical assistance to businesses wishing to enter foreign markets. Trade opportunities are identified for Montana exporters, and special training programs are conducted throughout the year to prepare more firms for export activity. A Pacific Rim trade office will be established in 1988.

## **Manufacturing and U.S. Government Procurement Assistance**

The division disseminates current government procurement information to interested small business bidders. It also provides technical assistance, either directly or through cooperating university system units, to those small businesses having problems in production management, quality control, cost accounting, or related manufacturing areas.

## **Business Retention and Expansion**

Existing Montana businesses are of special concern to the division, which has established a program to recognize those firms for their contributions to the state's economy and to encourage them to continue and expand their activities in Montana. The business retention officer regularly visits businesses to ascertain their needs and determine how the resources of the division can be brought to bear on resolving problems which may be inhibiting desired growth.

## **Assistance to Businesses in the Tourism Industry**

Training and technical assistance programs designed to meet the unique needs of firms in the state's rapidly growing visitor industry are being developed. Hospitality training and marketing advice are among the planned services.

## **Investments in Agriculture**

In order to help Montana keep pace with a transforming agriculture industry, create new jobs, and expand small business opportunities, a public/private partnership has been created to strengthen and diversify the state's agriculture industry. The Montana Agriculture Development Council, which oversees this program, establishes policies and priorities to enhance the future development of agriculture in Montana. Some of the Council's activities include seed capital investments in the development and commercialization of new products and processes, the creation of agricultural business incubators, and expanded domestic and international agricultural marketing. In addition, the Council may invest in applied technological research and agricultural technology assistance and transfer.

## **Montana Ambassadors**

In response to a private sector recommendation, the state has implemented an "Ambassador" program to complement the department's business location, retention, marketing, and Montana promotion efforts. The program is made up of approximately 200 business and university leaders from throughout the state. Members make calls on out-of-state business executives and tour operators to familiarize them with Montana as a place to do business and as a travel destination. Additionally, Ambassadors work with Montana manufacturers to help market their products outside the state, and they assist the state in hosting foreign visitors and trade delegations. The program is funded by its members and staffed by the Department of Commerce.

## **Business Location**

The Business Location program publicizes and advertises Montana to firms planning relocations or expansions. The program initiates and develops relations with business interests and individual firms, and prepares and presents location data in response to inquiries received by the department. The program also works closely with local development organizations in their efforts to locate new firms to their communities.

## **Assistance to Local Development Organizations**

Assistance is provided both to local leaders responsible for organizing and maintaining community economic development efforts and to the professional staff of such local organizations. (A list of these groups can be found on the last page of this book.) In cooperation with the Montana Ambassadors, the division conducts the Certified Communities Program, through which cities, towns, counties, and tribal governments are helped to plan and carry out effective economic development programs specifically designed to meet local needs.

Contact: Business Assistance Division  
Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-3923

## **INVESTMENT DIVISION**

The Montana Board of Investments may purchase debt or equity investments at market rates as permitted by the Prudent Expert Principle. The board actively purchases qualified Montana Mortgages (both residential and commercial) from approved seller/servicers, buys the guaranteed portion of SBA loans and FmHA loans from Montana financial institutions, and purchases certificates of deposit from qualified Montana financial institutions.

Contact: James R. Howeth, Investment Officer  
Board of Investments  
Capitol Station  
Helena, MT 59620-0125  
(406) 442-1970

## **Development Finance Programs**

The 1982 Legislature, as a result of Initiative 95, authorized a series of programs designed to help small businesses obtain attractive capital financing. These programs are administered by the Board of Investments, Office of Development Finance (the Board). Each program operates with different eligibility criteria under state or federal law, but the primary focus of all programs is to increase availability of long-term, fixed rate financing to small Montana businesses.

## **Coal Tax Loan Programs**

The Board is a development agency, not a bank or venture capital company. Its responsibility is to strengthen and diversify the state's economy through prudent investments in qualifying Montana businesses. The Board has limited financial resources and looks for those loan projects which have the greatest potential for creating employment opportunities for Montanans and for providing other long-term benefits to the state's economy. The Board's programs are designed to assist businesses by making available to them long-term, fixed rate financing at competitive interest rates for a variety of needs.

During each calendar year, the Board receives approximately \$10 million in coal tax trust funds for investing in loans to small Montana businesses. No one loan can exceed 10% of the prior year's deposits into the In-State Investment fund. As of July 1, 1987, the maximum loan was \$950,000. Loans are made only through approved Montana financial institutions, which include state or federally-chartered banks, savings and loan associations, credit unions, development credit corporations, investment companies, trust companies, savings institutions, and qualified Montana capital companies. A complete list of approved financial institutions is available from the Board's office.

The Board is authorized by law to establish the types of loans that it will administer. The rules adopted by the Board provide several methods for making loans to Montana businesses, which are briefly summarized below. Detailed descriptions of each loan program, rules, application forms, and information on fees and the application process are available from approved financial institutions or from the Board's office in Helena.

### Eligibility Requirements

Coal tax loans are limited by state statute and by the rules adopted by the Board to investments in businesses that will have a "long-term benefit to the Montana economy." The Board has determined that that includes primarily businesses engaged in one or more of the following:

- Basic Economic Activity (defined as any business activity conducted in-state from which 50% or more of gross revenues are derived from out-of-state sources);
- Import Substitution Activity (Defined as the in-state production of a good or service 50% or more of which will be purchased by in-state users in place of like or similar goods or services which previously would have been purchased from out-of-state sources); and

- Retail and wholesale distribution of Montana-made goods (Defined as any retail or wholesale distribution activity conducted in the State for which the sale of goods produced in Montana comprises 50% or more of gross revenues).

Businesses submitting applications for coal tax loans involving the SBA 504 Loan Participation Program are not necessarily limited to the above three types of business activities.

### Preferences

When deciding which of several eligible investments of equal or comparable security and return to finance, when sufficient funds are not available to finance all possible investments, state law requires the Board to give preference to:

- small- and medium-sized businesses;
- locally-owned enterprises;
- employee-owned enterprises;
- businesses that provide "jobs for Montanans";
- businesses that "maintain and improve a clean and healthful environment"; and
- businesses that "encourage or benefit the processing, refining, marketing, and innovative use and promotion of Montana's agricultural products."

Each of these preferences is defined in the rules and in the application form.

### Federally Guaranteed Loan Program

The Board may fund a loan to an eligible small business by purchasing the portion of a lender's loan guaranteed by the U.S. Small Business Administration, the U.S. Farmers Home Administration, or by some other federal agency. The interest rate on the Board's portion of the loan is established at 100% of the rate for a U.S. Treasury Note of a like or similar maturity. The lender may charge up to 2% above the Board's rate on the federally guaranteed portion of the loan for servicing, and may charge a separate rate on the lender's portion of the loan subject to the maximum rate established by the federal agency.

Generally, any loan that is eligible for a federal agency's guarantee may be funded through this program. This includes loans for the purchase of land, buildings, equipment, machinery, building expansion or repair, inventory or funds for working capital. The maximum term is 20 years.

### Economic Development Linked Deposit Program

The Board may fund a loan to an eligible small business by placing a long-term deposit with a lender in an amount up to 100% of a corresponding fixed-rate loan linked to the deposit. The Board does not share in any credit risk

of the loan. The Board's interest rate on its deposit is established at 105% of the rate for a U.S. Treasury Note of a like or similar maturity. A lender may charge up to 3% above the Board's rate on the portion of the loan linked to the Board's deposit.

Funds under this program may be used for working capital, interim construction, inventory, site development, acquisition of machinery, equipment and buildings, or for any other type of loan acceptable to the lender. The maximum loan term is 20 years.

#### Business Loan Participation Program

The Board may fund a loan to an eligible small business by purchasing from an originating lender up to 80% of the lender's loan. A maximum loan to value of 75% is allowed under this program using the lower of cost/purchase or appraised value. Loan funds may be used to finance fixed assets (land, buildings, and equipment).

The interest rate on the Board's portion of the loan is established at 110% of the rate for a U.S. Treasury Note of a like or similar maturity. The lender may charge up to 2% above the Board's rate on the Board's portion of the loan, for servicing the loan, and may charge the lender's market rate on the portion of the loan carried by the lender. The maximum loan term is 20 years.

#### SBA 504 Loan Participation Program

The Board may fund a portion of a project financed under the SBA 504 Program by purchasing from an originating lender up to 80% of the lender's first mortgage loan amount. All terms and rates are the same as under the Business Loan Participation Program. For this program only, it is not necessary that the business meet the eligibility requirements for other Coal Tax Loan Programs described under the Eligibility Requirement Section.

#### **Industrial Development Bond Programs**

The Board of Investments also issues tax-exempt industrial development bonds (IDBs) to fund loans to Montana businesses for the acquisition of land, buildings or equipment. All loans must meet federal eligibility requirements and primarily provide long-term, fixed-rate financing. After December 31, 1986, only manufacturing projects are eligible through December 31, 1989.

#### Pooled Industrial Development Bond Program

The Pooled IDB program provides small borrowers (those with project costs as low as \$100,000) access to the tax-exempt market not otherwise possible. The Board combines several IDB projects together and sells its bonds to fund the loans. Under this program, loans for up to \$3 million are available. All loans are originated and serviced by Board-approved financial institutions, which must provide a 35% letter of credit on the project. Borrowers must contribute at least 10% equity. Federal law requires that the Board conduct a public hearing on each project and find it to be in the public interest before costs can be incurred.

The Board takes responsibility for underwriting the bonds and funding the loans. The interest rate on the loans is established when the bonds are sold and includes the bond rate and the underwriting costs. There are additional servicing fees. Origination costs and most other "soft" costs can be financed through the program.

#### Stand Alone Industrial Development Bond Program

A borrower who can assume responsibility for funding its projects can have the Board issue industrial development bonds (IDBs) under the "Stand-Alone" program. A borrower typically has three alternative ways to accomplish funding through IDBs: direct access to the bond market through the market's recognition of financial strength of the borrower, a bank letter of credit which the bond market recognizes and accepts, or a tax-exempt loan through a bank (no public bond offering necessary). The Board serves only as the legal issuer of the bonds and assumes no responsibility for funding the loan.

Project costs to be funded with IDB proceeds can be incurred only after the Board holds a public hearing and finds the project to be in the public interest. Current sunset provisions also apply.

#### **Municipal Finance Programs**

The Board, in addition to promoting business development, also seeks to lower the borrowing costs of local governments. The Board's Municipal Cash Anticipation Finance program (MCAF) finances the temporary cash deficits of local governments at very low cost. In 1986, the average rate of interest from using the MCAF program was 2.8%. Any government entity anticipating a deficit in one of its funds can participate in MCAF. One of the program's advantages is that a user need not first cover a deficit with monies from other of its funds. This ability to use MCAF instead of interfund borrowing helps the local government to maximize interest earnings in its invested accounts.

In addition to the MCAF program, the Board recently implemented its Intermediate Term Capital program (INTERCAP) which provides Montana cities and counties a cost-effective way to finance equipment, vehicles, and modest capital improvements. Local governments may borrow up to \$50,000 per project for up to five years. The interest rate on INTERCAP loans is adjusted annually; as of September, 1987, it was 5.625%.

#### **Montana Capital Companies**

The Board also administers the Montana Capital Company Act, which is designed to make private venture or equity capital available within the state. Through the program, the state offers a 50% tax credit incentive (up to \$150,000) to investors in qualified Montana Capital Companies, which in turn must invest these funds in small, basic Montana firms. The capital companies must be certified and qualified by the Board. Available tax credits are limited to \$5 million through 1989, and are allocated to capital companies in order that they become "qualified" and have actual investors. As of July 1, 1987, three firms had been designated as "certified and qualified" Montana Capital Companies while four firms had completed the "certification" stage and were in the process of raising at least \$200,000 in equity capital to become "qualified" for tax credits.



For further information about any of the Board's programs, please contact:

Robert M. Pancich, Administrative Officer  
Board of Investments  
Office of Development Finance  
Capitol Station  
Helena, MT 59620-0125  
(406) 442-1970

#### **MONTANA HEALTH FACILITY AUTHORITY**

The Montana Health Facility Authority (MHFA), created by the 1982 Legislature, is a bonding authority whose sole purpose is health care cost containment. To accomplish its mission, through the issuance of revenue bonds or notes, it provides financing or refinancing for projects consisting of construction, renovation, or equipment purchases, for public or private non-profit health care programs. The MHFA loans its bond proceeds to participating health care facilities at interest rates below those of taxable commercial lending institutions, substantially containing the costs expended by the participants. In many instances, however, the commercial lending institutions are included in the financings to provide credit enhancement. The MHFA notes and bonds, which are neither general nor moral obligations of the state, may be issued to a single entity, or to several participating health care facilities. The MHFA offers its tax-exempt status to assist eligible facilities to issue tax-exempt bonds or notes, although taxable obligations can also be structured through the MHFA, with the MHFA as issuer.

Contact: Jerry R. Hoover, Administrator  
Montana Health Facility Authority  
1520 East Sixth Avenue - Room 50  
Helena, MT 59620  
(406) 444-5435

#### **MONTANA PROMOTION DIVISION**

The Promotion Division is responsible for promoting the State of Montana as a travel destination for both summer and winter vacationers. Utilizing the State's "Master Marketing Plan," the division strives to increase the frequency of visitations by nonresident tourists and travelers. The division works closely with the private sector (airlines, ski areas, innkeepers, outfitters, etc.) to increase the dimensions of its tourism-related efforts. In addition, the division promotes group travel and markets Montana as a location for the film and television industries.

#### **Consumer Travel Promotion**

This section of the Montana Promotion Division is responsible for the promotion of the state to individual consumers. Consumer Travel Promotion includes four different but related functions: publications, advertising, exhibiting, and publicity. Each year, up to 12 full-color publications explaining and illustrating the Montana vacation product are published by division personnel. In addition, the staff creates, designs and oversees the production for all paid advertising and advertising campaigns. Consumer travel personnel also are responsible for generating publicity about Montana and for exhibiting at consumer trade shows.

## **Group Travel Promotion**

Group Travel is responsible for initiating and maintaining productive contact with meeting planners and the travel trade. Personnel advertise in specific and various ways to attract national and international tour groups and conventions to Montana. A "Group Tour Planning Guide" is published regularly and sent to group tour operators. Staff members attend travel trade shows, make sales calls and conduct familiarization tours for tour operators and travel agents. Group Travel targets its markets to include Canada and western and mid-western states for winter and summer group tours.

## **Motion Picture and Television Promotion**

Staff involved in film and TV promotion act as a liaison for studios and production companies interested in filming motion pictures and commercials in Montana. In addition to scouting locations and negotiating permits, personnel go on location with film crews to serve as consultants and to provide technical expertise and other location-related assistance. Staff also publish a "Motion Picture and Television Location Manual," which is sent to interested parties, including location scouts, producers and directors.

## **Regional Marketing Program**

This program oversees the distribution of 25% of the accommodations tax and provides assistance with marketing to tourism regions and eligible cities within the state as mandated by the 1987 Legislature in HB 84.

Contact: John Wilson, Administrator  
Montana Promotion Division  
Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-2654

## **OFFICE OF RESEARCH AND INFORMATION SERVICES**

The Office of Research and Information Services (ORIS) provides services for the Department of Commerce director (including speech writing, publication management and production, special projects staffing, media liaison and legislative monitoring), analyzes the Montana economy, researches and prepares briefing papers, staffs the Governor's Council on Economic Development and conducts economic development and general departmental policy analysis as requested. It also provides data and information storage and distribution, maintains a specialized library for the department, other state agencies and the public and is the state coordinating office for federal census activities.

Contact: Sandy Courtnege, Administrator  
Office of Research and Information Services  
Montana Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-3814

## **Governor's Council on Economic Development**

The Governor's Council on Economic Development provides the Governor, the legislature and the Department of Commerce with economic policy recommendations developed by a broad cross section of Montana interests. The council represents the interests of 10 separate economic sectors in the state. The 20-member panel is comprised of 10 members from each of Montana's two congressional districts.

Staff support for the council is provided by the ORIS. Responsibilities include meeting organization, research of selected issues, preparing all written materials including final reports, minutes and correspondence, and appearing before legislative committees in support of council recommendations.

Contact: Ralph Yaeger, Administrative Officer  
Office of Research and Information Services  
Montana Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-3814

## **Census and Economic Information Center**

The Census and Economic Information Center (CEIC) is the central storehouse for demographic and economic information available for local, state and federal government, the business community, educational institutions and the public. The center is Montana's primary contact with the U.S. Census Bureau. The CEIC prepares County Profiles, which include data on health, education, housing and other economic statistics on Montana's counties. The center also compiles the Montana Statistical Abstract, which contains detailed economic data on the entire Montana economy.

Contact: Patricia Roberts, Program Manager  
Census and Economic Information Center  
Montana Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-2896

## **TRANSPORTATION DIVISION**

The Transportation Division is responsible for providing litigation and analytical assistance to transportation users and developing cost models to assess changes in transportation rates and systems. The division also provides technical, planning and financial assistance to local governments, transportation providers and users.

### **Litigation and Analysis Bureau**

The Litigation and Analysis Bureau is responsible for transportation rate analysis and litigation and for providing technical expertise and assistance to shippers. Bureau personnel compile and file evidence as well as testify on that evidence before the courts and the Interstate Commerce Commission. The bureau performs analytical work such as developing cost formulas and models to analyze transportation cost components.

## **Local Rail Service Assistance**

Federal and state legislation authorize and direct the State to prepare a State Rail Plan. In this planning document, state rail policy is defined. Segments of rail systems within the state are evaluated, and federal assistance projects are identified. Financial assistance for eligible projects includes limited grants and low-interest loans to rail or rail-related industry for track plant rehabilitation, acquisition or new construction.

## **Passenger Transportation Bureau**

The Passenger Bureau administers state and federal programs that provide financial and technical assistance to intercity passenger carriers, urban public transportation and other transportation providers and users, including the elderly and handicapped. This bureau is also responsible for monitoring transit operations, conducting program evaluations and developing and implementing programs to improve passenger transportation in Montana.

## **Short-Line Assistance Program**

The division has acquired railroad property and through lease, operating and purchase option agreement, provides for short-line rail service in areas where abandonment was a certainty. In addition to ownership assistance, the division provides technical help in organizing and operating small railroads.

## **Southern Mainline Study**

With the anticipated (as of September, 1987) sale of a major portion of Montana's mainline rail system, the division has undertaken an objective study to evaluate line conditions and operating potential.

## **Special Projects Section**

The Special Projects Section of the Transportation Division conducts research and prepares special studies pertaining to transportation issues. These issues often concern grain movement, rail abandonment impacts, trucking, maritime transportation, rail passenger transportation and other related subjects. An additional responsibility is to monitor transportation-related legislation.

## **Subterminal Development Monitoring**

Since the introduction of unit train grain rates in 1980, the Transportation Division has monitored changes in the state grain marketing industry. Information on grain subterminal development rate structures and branchline abandonments are available from the division.

Contact: William Fogarty, Administrator  
Transportation Division  
Department of Commerce  
1424 Ninth Avenue  
Helena, MT 59620  
(406) 444-3423

## **AERONAUTICS DIVISION**

The Aeronautics Division of the Department of Commerce administers a program of low-interest loans for various airport improvement projects. The 7.109% loans, matched by similar federal airport improvement grants, are available to any Montana tax-levying body -- cities, counties, airport authorities, etc. -- for a maximum loan period of eight years.

Contact: Mike Ferguson, Administrator  
Aeronautics Division  
Department of Commerce  
2630 Airport Road, Box 5178  
Helena, MT 59601  
(406) 444-2506

## **LOCAL GOVERNMENT ASSISTANCE DIVISION**

The primary functions of the Local Government Assistance Division are to provide technical and financial assistance to units of local government; to insure local political subdivisions' financial compliance; to grant and administer Federal housing, economic development and public works funds; and to provide administrative support to the Montana Coal Board and the Montana Hard Rock Mining Impact Board.

### **Community Technical Assistance Program**

The Community Development Bureau staff is currently studying local Capital Improvement Planning needs in conjunction with local, state and federal agencies. The focus of this effort is to identify ways of enhancing local government's capability to finance and maintain local public facilities.

The bureau staff also provides answers to questions from local government officials primarily in the areas of project financing (grants, loans), land use planning and legal matters. The staff follows up on requests for information via networking with other local government organizations and by doing special research. Resources include a library, computer searches, Planners Advisory Service and access to a local government/land use attorney.

### **Hard-Rock Mining Impact Board**

The Hard-Rock Mining Impact Act of 1981 requires the developer of a proposed, large-scale, metalliferous mine to prepare a plan that identifies the project's anticipated impacts on local government services, facilities, revenues and expenditures. The impact plan is to include a schedule specifying when and how the developer will meet any net increase in local government costs that are expected as a result of the mineral development. The Hard-Rock Mining Impact Board is to facilitate the overall implementation of the Act and resolve, through a formal hearing process, any differences between the developer and the affected local governments concerning the impact plan. The Board is also authorized to administer grant programs dealing with the community and economic impacts of mine or smelter closures.

## **Community Development Block Grant (CDBG) Program**

The Montana Community Development Block Grant (CDBG) Program is a federally funded competitive grant program which awards approximately \$5 million annually to Montana cities, towns, and counties to assist them with serious community needs. All projects must be designed to principally benefit low and moderate income persons or families.

Local projects address needs in three basic categories: economic development, housing, and public facilities. The grant competition for housing and public facility projects is conducted annually in the Fall. The grant competitions for economic development applications take place three times each year.

The program is authorized by the Federal Housing and Community Development Act of 1974, and is administered nationally by the U.S. Department of Housing and Urban Development (HUD). The program has been administered for the State of Montana by the Montana Department of Commerce since January, 1982. As of July 1, 1987, 95 grants totalling over \$30,000,000 have been awarded to counties and municipalities from the HUD allocations to Montana for federal fiscal years 1982 through 1986.

## **County Land Planning Grant Program**

This program became effective July 1, 1975, and created a County Land Planning Fund (CLPF) which is derived from the Montana coal severance tax. One half of one percent (.50%) of the total coal tax revenue is allocated to the CLPF. County governments receive CLPF. The funds then may be distributed by the counties to local planning boards (including city planning boards). The program is legally structured under Section 90-1-108, MCA and 15-35-108, MCA.

The funds are to be used for "land planning purposes." Basically, this means that the funds are to be used for local land use planning -- operation of planning boards; preparation of community comprehensive plans; administration of subdivision, zoning, lakeshore, and floodplain regulations; and special plans or programs. Special plans or programs include downtown redevelopment, economic development, capital improvements planning, rural addressing systems, and natural resource inventories.

All counties receive a minimum of \$3,000 per year. The remaining money is distributed on a formula based 40 percent on geographical area, and 60 percent on population. The CLPF has provided Montana's counties with approximately \$3.5 million for land use planning since 1975.

## **Local Impact Assistance Program**

The Local Impact Assistance Program was initiated in 1975 by legislative action and is administered by the Montana Coal Board.

The Montana Coal Board awards grants and loans to local governmental units which have been required to expand the provision of public services as a consequence of large-scale development of coal mines and coal-using energy complexes. Funding is derived from the Montana coal severance tax. The Coal Board has awarded 198 grants of over \$60 million to local governmental units based on need, severity of coal impact, availability of funds, and degree of local effort in matching funds.

The percentage of grants received by local governmental units is as follows:

School Districts	53%
Cities	16%
Counties	19%
Special Districts	10%
State Agencies and Indian Tribes	2%

Contact: Newell B. Anderson, Administrator  
Local Government Assistance Division  
Montana Department of Commerce  
Cogswell Building, Room C-211  
Helena, MT 59620  
(406) 444-3757

## **Section 8 Housing Assistance**

### **A) Section 8 Existing Housing**

This program is operated by the Department of Commerce under a contract with the U.S. Department of Housing and Urban Development. The authority for this is provided under Section 8 of the United States Housing Act of 1937. The basic purpose of the program is to provide rental assistance on behalf of lower-income families and the elderly in existing rental units that are decent, safe and sanitary.

This program is operated on a first-come, first-served basis statewide, and because the number of HUD-authorized units for subsidy is less than the demand, there is an extensive waiting list. In all instances the applicant, once certified, is responsible for finding a rental unit that meets HUD standards, and the rental subsidies are made to the property owner on behalf of the tenant. Payments are based on unit rent and an established portion (30%) of the tenant's adjusted gross income. Nearly \$25 million has been managed by the state for this program since 1978.

### **B) Section 8 Moderate Rehabilitation**

This program also is authorized by the United States Housing Act of 1937, and is operated under a contract between the Department of Commerce and HUD. It provides grants for the upgrading of rental units in Montana.

Fifteen-year contracts are signed with developer-owners of rehabilitated rental units, and subsidies are provided on behalf of all eligible families who rent the units. Unlike the Existing Housing Program, the subsidy stays with the unit and is not transferred to other units when subsidized families move. Nearly \$6 million has been managed by the state for this program.

Contact: Gary W. Addington, Bureau Chief  
Section 8 Housing Bureau  
Montana Department of Commerce  
805 N. Main  
Helena, MT 59620  
(406) 444-2804

## **District Court Reimbursement Program**

District Court Reimbursement Funds are designed to have the state assume certain expenses associated with criminal proceedings in district courts. The reimbursements are made to county governments only. The general definition of eligible expenses for state assumption includes: a portion of the salaries of court reporters; transcripts of proceedings; witness and juror fees; indigent defense; and psychiatric examinations. Funding for these expenses is limited to the funds appropriated to the program by the legislature. Any reimbursable costs incurred by county governments for district court operations which exceed the appropriated ceilings for each fiscal year are the responsibility of the county.

All state-assumed costs are handled on a reimbursement basis to county governments only. No direct payments to individuals are made.

The state reimburses county governments only for those eligible costs related to criminal cases heard in district court. No costs incurred for youth court or justice court operation, or for cases other than criminal are considered. Additionally, only costs incurred after July 1, 1986, are eligible for reimbursement.

Contact: James M. Courtney, Program Manager  
Accounting and Management Systems  
Montana Department of Commerce  
805 N. Main  
Helena, MT 59620  
(406) 444-3010

## **MONTANA SCIENCE AND TECHNOLOGY ALLIANCE**

The Montana Science and Technology Alliance was created by the 1985 Legislature as part of the Build Montana program in response to the recommendations of the Governor's Advisory Council on Science and Technology. This effort is designed to strengthen and diversify Montana's economy by establishing a public-private sector partnership to encourage scientific and technological development within the state in order to keep pace with a transforming economic structure and to create new jobs and expand small business opportunities.

The 1987 Montana Legislature provided the Science and Technology Alliance with the authority to initiate several new programs and to continue existing activities as well. The program's overall funding level was substantially increased so that the Alliance can continue its efforts to stimulate the technology-based entrepreneurial sector of Montana's economy. The focus of the Alliance during the next several years will continue to be in the areas of technology research and development and seed capital investments.

### **Research and Development**

The Alliance received \$2.75 million in spending authority for its research and development activities. During the next two years these will include the initiation of a Centers of Excellence program in cooperation with Montana's university system, a business development assistance program to provide support for seed stage companies, and a technology transfer clearinghouse to provide



information on research activities and innovative technology businesses throughout the state. These new activities will supplement the support the Alliance already makes available to individual applied research, research capability development, and technology transfer projects.

### **Seed Capital Investments**

The legislature provided the Alliance with the most significant increase in funding for seed capital investments. In essence, the Alliance will create a \$15 million venture fund by issuing zero-coupon bonds with a 13-year maturity. The proceeds from these bonds may be invested over a 6-year period in early stage companies, with the earnings to be used eventually to retire the bonds. It is the intent of the Alliance board to place at least \$3 million with private sector investment funds for management; the balance will be directly invested by the board. The emphasis of board investments is expected to be on seed stage companies, while the privately managed funds will be available for expansion stage projects. In addition to in-state projects, the Alliance is interested in making investments in technology companies willing to relocate to Montana.

The Science and Technology Alliance is administered and staffed by the Department of Commerce. A Science and Technology Development Board has been appointed by the Governor to set policies and priorities and make technology research and development investments. The board consists of 15 members, 11 of whom are from the private sector. Every proposal for Alliance funding will be evaluated by the board and through a peer review process. In addition, the board has created a financial advisory panel to conduct financial analyses for proposals.

Each Alliance technology investment, whether it be for research and development or seed capital, will require at least an equal amount of private sector investment capital. The program will be required to achieve a return-on-investment; policies for accomplishing this are currently under review by the board.

The Science and Technology Alliance investment program eventually will become self-supporting through profit sharing. Any award made for technology development, product or process commercialization, or product marketing will include a requirement that the program retain an interest commensurate with the state's original investment. Proceeds from commercialization will accrue to the benefit of the Science and Technology Research and Development account. Interest earned on the account balance will go to the General Fund.

Contact: Sam Hubbard, Executive Director  
Montana Science & Technology Alliance  
Montana Department of Commerce  
46 North Last Chance Gulch, Suite 2B  
Helena, MT 59620  
(406) 449-2778

## OTHER STATE AGENCIES

### AGRICULTURAL DEVELOPMENT

#### Agricultural Assistance Program

The Montana Agricultural Assistance Program was established to assist individual farmers and ranchers who are financially distressed by providing assistance and counseling to manage farm/ranch credit problems, to avoid or mitigate forced liquidation or farm bankruptcies and foreclosures, and to cope with the financial stress resulting from the adverse conditions of agriculture in Montana. Peer counseling, financial consulting and debt mediation assistance are available through the program for farmers/ranchers.

Contact: Michael E. Murphy, Administrator  
Agricultural Development Division  
Department of Agriculture  
Sixth & Roberts  
Helena, MT 59620  
(406) 444-2402

#### Rural Development

This program provides direct lower-interest rate financing to rural youth and rural youth organizations for junior livestock and other agricultural business loans. The program also provides for some small amount real estate, equipment or operating loans to young farmers/ranchers, and FmHA subordination loans for farm operating.

Contact: Steve Baril, Program Manager  
Rural Development Program  
Department of Agriculture  
Sixth & Roberts  
Helena, MT 59620  
(406) 444-2402

#### Marketing Assistance

This program provides market research and other assistance to Montana's producers and those marketing agricultural products through identification, analysis and direction in development and enhancement of both foreign and domestic markets. Transportation and product movement through the state are also areas of focus and study assistance. Crop and livestock statistical reporting and grain movement data are also summarized for market information purposes.

Contact: Moe Wosepka, Program Officer  
Department of Agriculture  
Sixth & Roberts  
Helena, MT 59620  
(406) 444-2402

## **MONTANA COOPERATIVE EXTENSION SERVICE**

Financed jointly by county, state and federal governments, this educational service provides Montana with current and reliable information pertaining to four major program areas: agriculture, home economics, 4-H in Youth and community development. The community development program includes economic development educational programs and materials on community economic analysis, goal setting, program planning, organization maintenance, economic development strategy selection, and small and home-based business management aimed at the needs of small and declining communities. The Service's 53 county offices serve as referral centers for businesspeople and community leaders seeking economic development and business management information.

Contact: Dave Sharpe, Community Development Specialist  
Cooperative Extension Service  
409 Linfield Hall  
Montana State University  
Bozeman, MT 59717  
(406) 994-5608

## **WATER DEVELOPMENT LOAN AND GRANT PROGRAMS**

The Department of Natural Resources and Conservation administers a water development loan and grant program for local governments, state agencies, and private entities. The program is funded by the state's coal severance tax, which has historically provided about \$1.5 million biennially for grants, and two bonding authorities totaling \$260 million which fund the loan programs. The program makes loans and grants available for such diverse water development projects as dam and reservoir construction, streambank stabilization and erosion control, development of water conservation measures, and water and sewer projects.

Contact: Caralee Cheney, Chief  
Water Development Bureau  
Department of Natural Resources and Conservation  
1520 East 6th Avenue  
Helena, MT 59620-2301  
(406) 444-6668

## **RECLAMATION AND DEVELOPMENT GRANT PROGRAM**

The Department of Natural Resources and Conservation administers a state funded grant program established to indemnify Montanans for the effects of mineral development on public resources. It is designed primarily to fund projects that protect and restore the environment from damages resulting from mineral development and projects that meet other crucial state needs. Other projects may qualify, however, if they enhance Montana's economy or develop, promote, protect, or otherwise further Montana's total environment and public interest. Legislative approval for funding is required. The 1987 Legislature appropriated over \$3.4 million for 26 projects.

Contact: Caralee Cheney, Chief  
Water Development Bureau  
Department of Natural Resources and Conservation  
1520 East 6th Avenue  
Helena, MT 59620-2301  
(406) 444-6668

## **RENEWABLE ENERGY AND CONSERVATION PROGRAM**

The Renewable Energy and Conservation program, funded with revenue from Montana's coal tax and administered by the Department of Natural Resources and Conservation (DNRC), was established to promote the research, development and demonstration of energy conservation and the use of solar, wind, geothermal, small-scale hydro and biomass energy resources. This program offers grants to cover the early stages of project development, i.e., from research to demonstration, as well as loans for the commercialization of those projects with payback or income-generating potential. The Renewable Energy Program also allows DNRC to contract with individuals and organizations to undertake specific energy-related projects when the need arises. Currently, due to funding shortages, grant and loan cycles have been postponed.

In 1985, the legislature authorized the use of grant funds to retrofit state-owned buildings with energy conservation measures. Since savings resulting from these grants will help reduce operating costs for state government, grants for state building energy conservation are being funded to the extent possible given current funding limitations.

Contact: Jeanne Doney, Supervisor  
Commercial Section  
Department of Natural Resources & Conservation  
1520 East Sixth Avenue  
Helena, MT 59620-2301  
(406) 444-6697

## **VOCATIONAL TECHNICAL EDUCATION**

Public secondary and postsecondary vocational technical education programs are available throughout Montana for individuals of all ages who desire occupational skill development. These programs provide training and retraining to students who want to enter the job market with relevant basic skills, employees who want to maintain and upgrade their present skills, or people who want to learn different skills necessary for a desired career change. Programs in the areas of communication, business, marketing, agriculture, health, electronics, mechanics and food service are available for students on either a full-time or part-time basis. These programs are kept up-to-date through the close working relationship of instructors and administrators with business and industry representatives.

Contact: William C. Olfert, Executive Director  
Montana Council on Vocational Education  
Executive Management Building  
1228 11th Avenue  
Helena, MT 59620  
(406) 444-2964

## **LABOR TRAINING PROGRAMS**

### **Job Training Partnership Act**

The Job Training Partnership Act (JTPA) was implemented October 1, 1983. Under JTPA, public and private sector representatives cooperate to develop and implement job training programs to meet Montana's special needs. The

Act provides a framework whereby state and local programs can assist economically disadvantaged persons -- including youth, unskilled adults and dislocated workers -- to become productive members of the labor force.

### **Industrial Start-up Training Program**

The Industrial Start-up Training Program, funded by the 1983 Legislature, is a broad-based job training effort for employees of new or expanding small businesses in Montana. Administered by the Department of Labor and Industry, the program is designed to minimize new employers' problems in obtaining a trained workforce. Specifically, the department works with the employer to determine the required number of employees and their skill levels. The department then conducts labor availability surveys and recruits prospective employees by handling all the advertising, screening, testing, interviewing and training. The employer subsequently makes the final employee selection.

Contact: Job Service and Training Division  
Department of Labor & Industry  
P.O. Box 1728  
Helena, MT 59624  
(406) 444-4500

### **DISADVANTAGED BUSINESS ENTERPRISE AND WOMEN BUSINESS ENTERPRISE**

The Montana Department of Highways maintains a Disadvantaged Business Enterprise and Women Business Enterprise (DBE/WBE) Office. The DBE/WBE Office is responsible for identifying, certifying, and monitoring DBE/WBE contractors in competitive bidding and in obtaining federal-aid highway construction contracts. This office also serves as an advocate for DBE/WBE businesses with other state agencies.

Contact: Richard H. Leavell, Acting DBE/WBE Program Manager  
Civil Rights Bureau  
Montana Department of Highways  
2701 Prospect Avenue  
Helena, MT 59620  
(406) 444-6375

### **STATE PURCHASING POLICIES**

#### **Small Business Procurement Set Asides**

The Montana Small Business Purchasing Act of 1974 was enacted to ensure that a fair portion of state purchases and contracts for supplies and services is placed with small businesses. The Act, Section 18-5-301-308, MCA, allows each state agency to designate specific commodities, equipment or services as small business "set asides" when there is a reasonable expectation that bids will be obtained from at least three small businesses capable of furnishing the desired property or service at a fair and reasonable price. Services rendered by registered professionals (accountants, attorneys, architects, etc.) are prohibited from being designated as set asides.

## Bidding Preferences

Section 18-1-102, MCA provides for a three percent (3%) bidding preference for "resident" Montana bidders when they bid on state contracts. This preference is awarded to vendors who meet the residency requirements detailed in Section 18-1-103, MCA. Effective October 1, 1987, Section 18-1-102 also provides for a five percent (5%) preference for vendors submitting bids for goods manufactured in Montana. To be eligible for a preference a vendor must have a completed bidder affidavit form on file with the State Purchasing Division or submit certification of the Montana Made status of goods with each submitted bid.

The State Purchasing Division is responsible for determining eligibility for residence based on information provided by each vendor. This information is collected on the Bidders Affidavit form as part of the registration process for being included on the central bidders list. Affidavit forms are available upon request.

Contact: Michael S. Muszkiewicz, Administrator  
Purchasing Division  
Room 165, Mitchell Building  
Department of Administration  
Capitol Station  
Helena, MT 59620  
(406) 444-2575

## TAX INCENTIVES

Montana has implemented a number of business tax incentives. These incentives consist primarily of property and natural resource tax exemptions and reductions and individual income and corporation license tax credits and exemptions.

Property tax incentives include:

1. Property assessment reductions for new or expanding industries and for certain remodeling projects.
2. Property tax rate reductions for pollution control equipment and for qualified new industries and research and development firms.
3. Property tax exemptions for business inventories and freeport merchandise (merchandise produced outside Montana, which while in transit through the state is temporarily consigned to a Montana storage facility).

General individual income and corporation license tax incentives include:

1. A wage credit for new or expanding manufacturing corporations producing a product new to Montana.
2. A five year exemption from taxation for research and development firms organized to engage in business in Montana for the first time.
3. Exemptions for domestic international sales corporations (DISCs) and for investments in small business investment companies (SIBCs).

4. A credit for investing in a Montana capital company.

Natural resource related tax incentives include:

1. A phase-down of coal severance tax rates. (If a production quota of 32.2 million tons of coal is met during fiscal year 1988, coal severance tax rates will be reduced even further.)
2. A reduced severance tax rate on new coal production for buyers of coal who have not previously purchased from Montana producers or who purchase more, on average, than they did from 1983-1984 or during 1986.
3. A 12 month net proceeds tax exemption and a 24 month severance tax exemption for new oil and gas production.
4. Reduced severance tax rates for oil and natural gas stripper well production.
5. A severance tax rate reduction for oil production from a tertiary project.

Other significant tax incentives include:

1. A 35% individual income or corporation license tax credit for investing in wind powered electrical generating equipment.
2. An individual income or corporation license tax exemption for sellers of land to beginning farmers at less than 9% interest.
3. A subsidy for the production of fuel alcohol from Montana wood or agricultural products.
4. An individual income or corporation license tax deduction for expenditures on organic fertilizer produced and used in Montana.

Contact: Steve Bender, Chief  
Research Bureau  
Department of Revenue  
Sam Mitchell Building, Room 419  
Helena, MT 59620  
(406) 444-2981

## OTHER SERVICES

### THE 49TH PARALLEL INSTITUTE

Established by Montana State University, the Institute provides a liaison between the Governor's ad hoc committee on Canadian relations and the Montana-Western Canadian Provinces Boundary Advisory Committee and officials of the Canadian federal and provincial governments. The general purpose of the Institute is to improve U.S.-Canadian relations in the West. Specifically, the Institute is engaged in projects aimed at strengthening cooperative mechanisms in the areas of trade, transboundary pollution, and

cultural exchange and education. The Department of Commerce has contracted in the past with the Institute to produce a sourcebook on Montana-Canada trade and investment relations and to conduct jointly with state and federal officials workshops on international business (with an emphasis on cross-border trade with Canada). The Institute has undertaken an analysis of the implications for Montana of a U.S.-Canada free trade agreement and will continue to assist the department's International Trade Officer in identifying market opportunities in Canada and other Pacific Rim countries for Montana exports and in identifying foreign sources of investment capital.

Contact: Dr. Lauren McKinsey, Director  
49th Parallel Institute  
1 - 156 Wilson Hall  
Montana State University  
Bozeman, MT 59717  
(406) 994-6689

### **UNIVERSITY TECHNICAL ASSISTANCE PROGRAM**

The University Technical Assistance Program (UTAP) at Montana State University was created to provide technical engineering and managerial assistance to those manufacturing companies in Montana that are not in a position to hire professional consultants. The goal of UTAP is to improve the health of Montana's businesses, thereby creating new jobs and improving Montana's economy.

The University Technical Assistance Program helps Montana through the transfer of technology to eligible companies. Assistance may take the following forms:

- On-site analysis and consultation
- In-house assistance for major problems
- Technical training
- Referrals
- Technical publications
- Production and management short courses and seminars
- Computer search of technical databases

### **Short-Term Technical Assistance**

The Staff of UTAP provides short-term (not more than two weeks) assistance in the following areas:

- Location analysis
- Benefit/cost analysis
- Systems approach to solving problems
- Cost analysis and control
- Computer systems needs analyses
- Material and scrap control
- Feasibility studies
- Inventory analysis
- Management studies
- Office design assistance
- Manufacturing design assistance
- Production process design
- Quality control/assurance



- Equipment justification
- Automation assistance
- Productivity improvement
- Methods analysis
- Other manufacturing related problems

### **SBIR Funding**

UTAP may be able to provide assistance in applying for Small Business Innovative Research (SBIR) funding from federal agencies. These funds are awarded competitively to qualifying small businesses that require high risk research and development efforts for products that may have excellent commercial potential.

### **Computerized Data Search**

UTAP has access to over 400 national databases and 300 U.S. government laboratories and research centers through its affiliation with the NASA Industrial Application Center at the University of Southern California. Using computer and phone links, UTAP can help businesses work with search specialists to find the latest published information on technical problems. Remote sensing and image processing services also can be obtained.

In cases where published information is unavailable, inquirers may receive assistance from researchers in U.S. laboratories. These experts have been identified by the Industrial Application Center and have agreed to discuss problems in their areas of interest.

The purpose of this network of cooperation among federal government, university technical centers, and industry is to transfer the technology from NASA and other government laboratories to boost industry's competitive edge. Cost recovery fees are assessed for this service.

Contact: William R. (Bob) Taylor, Ph.D.  
 University Technical Assistance Program  
 402 Roberts Hall  
 Montana State University  
 Bozeman, MT 59717  
 (406) 994-3812

### **NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY**

The National Center for Appropriate Technology (NCAT) administers and operates the National Appropriate Technology Assistance Service (NATAS) under contract with the U.S. Department of Energy. NATAS can assist with such things as identifying sources of financing, licensing, marketing, business planning and business organization development. NATAS can also answer technical questions and help solve problems related to energy-conservation and renewable energy uses. For NATAS assistance, call 1-800-428-1718 in Montana, or write NATAS, P.O. Box 2525, Butte, MT 59702-2525.

NCAT also provides rural economic development services, as well as an agricultural service called Appropriate Technology Transfer for Rural Areas (ATTRA).

Contact: Diane Smith  
National Center for Appropriate Technology  
P.O. Box 3838  
Butte, MT 59702  
(406) 494-4572

## **RESEARCH CENTERS**

### **Montana Bureau of Mines & Geology**

The Bureau of Mines and Geology, part of the Montana College of Mineral Science and Technology, has a regular program to assist operators of small mines. The Bureau provides assistance to all who are looking for information on water availability, quality of groundwater, mines and minerals, and energy resources.

Contact: Dr. Edward T. Ruppel  
Montana Bureau of Mines & Geology  
West Park Street  
Butte, MT 59701  
(406) 496-4180

### **Institute for Biological & Chemical Process Analysis (IPA)**

IPA was established by Montana State University to increase cooperation with private industry and government agencies in the overlapping areas of biology, chemistry and engineering. IPA conducts fundamental research, development, and testing for industry and government. IPA pursues projects that cross the traditional scientific disciplinary boundaries. Illustrative projects include: Biological reactor engineering, fouling and corrosion, energy production from biomass, microbial processes at surfaces, water and wastewater treatment, resource recovery, and natural aquatic processes. IPA offers a wide range of microbiological, biochemical and chemical analytical services related to water and wastewater treatment, natural aquatic ecosystems and biological reactor engineering. IPA also provides data processing, statistical analysis and computer programming expertise in support of sampling programs, process control and testing activities.

Contact: Dr. W.G. Characklis  
Institute for Biological & Chemical Process Analysis  
College of Engineering  
409 Cobleigh Hall  
Montana State University  
Bozeman, MT 59717  
(406) 994-4770

### **Montana Forest and Conservation Experiment Station (MFCES)**

MFCES was established by the 1937 Montana legislature to conduct and disseminate research information about the state's forests and related resources (wildlife, range, water, and recreation). The Station's Mission-oriented Research Program (MORP) focuses on the management of second-growth forests. Additional research on all aspects of natural resource management is supported by funds from grants, contracts, and cooperative agreements with private organizations and state and federal agencies.

Contact: Sidney Frissell, Director  
Montana Forest & Conservation Experiment Station  
University of Montana  
Missoula, MT 59812  
(406) 243-4494

### **Tourism and Recreation Research Institute (TRRI)**

This institute was established by the 1987 legislature to provide research data needed to support the state's tourism industry. It is housed and administered by the Montana Forest and Conservation Experiment Station at the University of Montana's School of Forestry. The Institute is funded by a portion of the state accommodations tax. The research program of the Institute is developed in cooperation with the Governor's Travel Advisory Council.

Contact: Director  
Tourism and Recreation Research Institute  
School of Forestry  
University of Montana  
Missoula, MT 59812  
(406) 243-4494

### **The Wilderness Institute**

The Institute is an information clearinghouse on Montana's wilderness resource maintaining a file collection on wilderness areas and wild rivers and several computerized databases. It sponsors educational programs, performs field studies and conducts research. The Institute provides assistance to public and private organizations in evaluating the wilderness resource, measuring wilderness use and assessing the impacts of humans on wilderness.

Contact: Bob Ream, Director or  
Ken Wall, Assistant Director  
The Wilderness Institute  
School of Forestry  
University of Montana  
Missoula, MT 59812  
(406) 243-5361

## **STORAGE FACILITIES**

### **Port of Montana**

Formerly the Port of Butte, this modern facility offers U.S. Customs Services, bonded and general warehouse storage in 319,000 square foot maximum security warehousing, no inventory tax and licensed brokerage services to shippers, wholesalers and manufacturers. The Port is a public port authority, and export trading company promoted by the citizens of Butte-Silver Bow in an effort to strengthen and diversify both the state and local economies. Access to international and domestic shippers via two mainline rail carriers and two interstate highways provides north-south and east-west shipping corridors.

Contact: Richard L. Monaghan, General Manager  
Port of Montana  
Box 3641  
Butte, MT 59702  
(406) 494-3060

### **Great Falls Foreign Trade Zone**

Located at the Great Falls International Airport near the Montana-Canadian border, the Great Falls Foreign Trade Zone offers special import/export, manufacturing and warehousing benefits to businesses requiring these services. Plans for the near future include the addition of custom brokerage services, transportation services, worldwide marketing and distribution services and facilities management capabilities.

Contact: Great Falls Foreign Trade Zone #88  
P.O. Box 3324  
Great Falls, MT 59403  
(406) 761-5037

## **U.S. SMALL BUSINESS ADMINISTRATION**

### **Financial Assistance**

#### **Regular Loans**

Most of the SBA's business loans are made by private lenders and then guaranteed by the Agency. There is no limit on the loan size, but SBA's maximum guarantee of \$500,000. SBA guarantees 90% on loans up to \$155,000 and 85% on loans exceeding \$155,000. The interest rate is set by the lender (although some limits are imposed by the SBA), and the term cannot exceed 25 years. Loans for working capital seldom exceed seven years. Although loans may be for any worthwhile purpose, the Agency prefers to be considered a fixed asset lender.

#### **Special Loan Programs**

1. **Loan Development Company Loans (502 Programs):** Loans are made to groups of local citizens whose aim is to improve the economy in their areas. Loan proceeds may be used by the development company to assist specific small businesses for the purpose of plant acquisition, land, machinery and equipment.
2. **Certified Development Company Program (503 Corporation):** The program's purpose is to help communities by stimulating the growth and expansion of small businesses within a defined area of operation. Certified Development Companies are authorized to sell debentures pertaining to an identifiable small concern with SBA's 100% guarantee.
3. **Disaster Assistance:** When the President or the Administrator of the Small Business Administration declares a specific area to be a disaster area, Physical Damage Disaster Loans are available from the SBA. They are made to homeowners, renters and businesses to repair or replace damaged or destroyed homes, personal property and businesses.

4. Surety Bonds: SBA is authorized to guarantee to a qualified surety up to 80% of losses incurred under bid, payment or performance bonds issued to contractors on contracts valued up to \$1.25 million. The contract may be used for construction, supplies or services. (This program is administered by SBA's Denver, Colorado office.)

### **Business Development**

SCORE and ACE (Service Corps of Retired Executives and Active Corps of Executives)

These groups help small business managers or owners solve their operating problems through one-on-one counseling relationships.

Small Business Institutes (SBIs)

At each SBI (located on university and college campuses), senior and graduate students at schools of business administration, and their faculty advisors, provide on-site management counseling. Students are guided by the faculty advisor and SBA management assistance experts. They receive academic credit for their work.

Small Business Development Centers (SBDCs)

These centers draw from resources of local, state and federal government programs, the private sector and university facilities to provide managerial and technical help, research studies and other types of specialized assistance to small businesses.

International Trade Counseling and Training

SBA works closely with the U.S. Department of Commerce and other government agencies, and with private organizations to help develop programs to aid small firms in doing business abroad. Emphasis is placed on the practical application of successful exporting and importing procedures to small business.

### **Procurement Assistance**

Federal Procurement specialists in SBA offices throughout the country counsel small businesses on how to prepare bids and obtain prime contracts and subcontracts, direct them to government agencies that buy the products or services the small firms supply, help them get their names placed on bidders' lists and assist in obtaining drawings and specifications for proposed purchases. (Administered by SBA's Denver Regional Office.)

SBA:

- Helps federal agencies to direct government subcontracts to small businesses;
- Helps private contractors to direct federal contracts to small businesses;
- Refers qualified small businesses to federal prime contractors;

- Monitors the granting of federal contracts to small firms by federal agencies.

Contact: U.S. Small Business Administration  
Federal Office Building, Room 528  
301 South Park, Drawer 10054  
Helena, MT 59626  
(406) 449-5381

### **Small Business Investment Companies (SBICs)**

The major function of an SBIC is to make "venture" or "risk" investments by supplying equity capital and extending loans to small businesses which meet its investment criteria. SBICs are privately capitalized and obtain financial leverage from the SBA. They make both straight loans and equity investments.

Contact: Rocky Mountain Capital Ltd.  
505 Securities Building  
Billings, MT 59101  
(406) 256-1984

## LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS

The following is a partial list of organizations whose primary purpose is to promote economic growth in their local areas. They are in the process of completing or have completed the Certified Communities program and are prepared to assist in business expansion or relocation.

Ed Aubert, Planning Director  
Blackfeet Nation  
P.O. Box 850  
Browning, MT 59417  
338-7406

Jackie Miller  
Fort Peck Tribal Executive Board  
P.O. Box 115  
Poplar, MT 59255  
768-5155, X321

Jim Davison, Executive Director  
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